GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3590
ANSWERED ON:18.04.2005
REIMBURSEMENT TO FCI
Meghwal Shri Kailash

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government grants reimbursement to Food Corporation of India (FCI) for undertaking activities related to food;

(b) if so, the basis on which the said reimbursement is granted;

(c) the details of subsidy granted as reimbursement during the Tenth Five Year Plan, year-wise and item-wise;

(d) whether subsidy is provided to the State governments for undertaking procurement under the decentralised procurement scheme;

(e) if so, the details of the subsidy paid during the Tenth Five Year Plan, State-wise, year-wise and foodgrains-wise;

(f) whether cases of corruptions and financial irregularities have been detected in FCI during the Tenth Five Year Plan; and

(g) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): The Government of India releases subsidy to the Food Corporation of India (FCI) for undertaking various foodgrain operations. Food Subsidy is determined on the basis of economic cost of foodgrains, central issue prices, average sales realization, offtake of foodgrains under the Targeted Public Distribution System (TPDS) and other schemes qualifying for subsidy, carryover charges paid to the States and carrying cost of buffer stock.

(c): The details of subsidy released to the FCI during the Tenth Five Year Plan, year-wise and item-wise, are given in the statement at Annex 1.

(d): Under the decentralised procurement scheme, the Central Government releases subsidy to the State Governments to meet the difference between the economic cost and the central issue prices in respect of procurement, storage and distribution of foodgrains under TPDS and other welfare schemes, as per the approved costing.

(e): Details of subsidy released during the Tenth Five Year Plan to the States under decentralised procurement are given in the statement at Annex 1.

(f) & (g): A case of financial irregularity of unauthorised withdrawal of Rs.64 lakhs from FCI bank account was detected during 2003 in Haryana region. A FIR was lodged and the culprit was arrested and Rs.60 lakhs was recovered. Though the police did not find the involvement of any FCI official, two FCI employees were suspended and charge-sheeted for negligence. Recovery suit against the bank is being filed.

The details of irregularities committed by the officers/officials of the FCI and the action taken against them during the Tenth Five Year Plan, 2002-03 to 2004-05 (upto February 2005) are given in the statements at Annex 2.

Annex - 1

STATEMENTS REFERRED TO IN REPLY TO PARTS (c) & (e) OF UNSTARRED QUESTION NO.3590 DUE FOR ANSWER ON 18.04.2005 IN THE LOK SABHA.

(A) Details of subsidy released to FCI during the Tenth Five Year Plan, year-wise and item-wise, are as under:

[Rs. in crore]
(Provisional)

	Wheat	Rice	Coarse grain	Cost	Carrying charges	Carryover
2002-03	6374.67	10325.96	0.00	3291.49	2681.60	
2003-04	8358.83	11903.32	114.21	1550.62	1947.06	
2004-05#	8166.49	12255.03	238.89	835.57	894.99	

In addition, an amount of Rs.889.03 crore was released to the FCI in respect of the claims for shortages regularized during the years 1996-97 to 2001-02.

(B) Details of subsidy released to the States during the Tenth Five Year Plan, State-wise, year-wise and foodgrain-wise, are as under:

[Rs. in crore]
(Provisional)

State	2002-03		2003-04		2004-05	
	Wheat	Rice	Wheat	Rice	Wheat	Rice
Chhatisgarh	-	158.60	-	89.94	-	628.87
Madhya Pradesh	128.27	-	66.74	-	118.75	-
Orissa	-	-	-	-	-	40.96
Tamil Nadu	-	0.00	-	45.82	-	27.21
Uttaranchal	13.97	-	6.06	74.37	9.65	83.08
Uttar Pradesh	728.39	392.31	537.18	438.44	690.86	687.10
West Bengal	-	81.19	-	27.41	-	179.97

Annex - 2

STATEMENTS REFERRED TO IN REPLY TO PARTS (f) & (g) OF UNSTARRED QUESTION NO.3590 DUE FOR ANSWER ON 18.04.2005 IN THE LOK SABHA.

(A) Details of irregularities committed by the officers/officials of the FCI during the Tenth Five Year Plan, 2002-03 to 2004-05 (upto February 2005) are as under:

Sl. No.	Nature of irregularity	Number of cases			
		2002	2003	2004	2005 (upto Feb. 2005)
1.	Acceptance of illegal gratification/ disproportionate assets	6	9	8	7
2.	Misappropriation of foodgrains	98	153	95	86
3.	Defalcation of accounts/ misappropriation	23	13	18	20

4. Misappropriation of dead stocks/ construction of godowns 23 13 15 15

5. Purchase of sub-standard stocks 651 729 480 469
6. Award of Handling and Transport contracts 14 6 12 15

7 Transit/Storage losses 760 713 488 473

8. Administrative lapses/ miscellaneous 191 206 103 88

Total 1766 1842 1219 1173

(B) Details of action taken against the officers/officials of the FCI during the Tenth Five Year Plan, 2002-03 to 2004-05 (upto February 2005) are as under:

Sl. No. Nature of penalty imposed Number of cases

2002 2003 2004 2005 (upto Feb. 2005)

1. Dismissal/removal/compulsorily retired 55 56 37 8

2. Reduction in rank 87 66 39 5

3. Reduction in time scale of pay 435 420 361 64

4. Withholding of increment 262 146 168 8

5. Recovery from pay of the loss caused to FCI 1149 964 1346 192
6. Withholding of promotion 12 12 6 0

7 Censure 425 427 489 53

Total 2425 2091 2446 330